

VZCZCXYZ0007
PP RUEHWEB

DE RUEHSJ #1823/01 2782320
ZNR UUUUU ZZH
P 052320Z OCT 07
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC PRIORITY 9004

UNCLAS SAN JOSE 001823

SIPDIS

SIPDIS

FOR WHA/PD-TPICKREL, WHA FO, WHA/CEN AND H

E.O. 12958: N/A

TAGS: [ETRD](#) [PGOV](#) [PREL](#) [KPAO](#) [CS](#)

SUBJECT: MEDIA COVERAGE OF CAFTA CAMPAIGN AND
CONGRESSIONAL VISIT TO COSTA RICA

¶1. SUMMARY: Over the past two months, the Ambassador's visits to Costa Rican businesses affected by international trade generated significant media coverage and a variety of reactions, including a complaint filed by anti-CAFTA union leaders to the Supreme Election Tribunal (TSE), septel. Meanwhile, Partido de Accion Ciudadana (PAC) leader and anti-CAFTA activist Otton Solis invited U.S. Senator Bernard Sanders (I-VT) and Congressman Michael Michaud (D-ME) to Costa Rica to support the "no" campaign, also generating media reaction. Given the importance and sensitivity of CAFTA in Costa Rica, and the interest in Washington, we provide extensive excerpts below. END SUMMARY

=====
COVERAGE OF AMBASSADORQS TRIPS
=====

¶2. Following the AmbassadorQs visits to farmers and small businesses in the Central Valley, populist daily Diario Extra (cir. 150,000) ran an article on 7/27 entitled "Chayote Producers are with CAFTA" which quoted the farmers as stressing "If CAFTA is not approved and CBI disappears, we would be out of the market, since we won't be able to export our product to the U.S." Workers at a local metal industry told Diario Extra: "We hope the country makes the right decision so we can keep growing."

¶3. Central Valley textile workers whose plant currently sends 70% of its production to the United States told Diario Extra on 8/31 (following an Ambassadorial visit), "Without the U.S. market we would be able to sell only 30% of our production and this would mean reducing our personnel and production."

¶4. Based on the AmbassadorQs visit to a cannery in Puntarenas, English-language Pacific zone weekly The Beach Times reported on 9/17 that "[Sardimar] the biggest employer in the port city of Puntarenas warned Q it would be moving operations to another Central American country if the free trade agreement with the U.S. were not approved."

=====
AMBASSADORQS QUOTES
=====

¶5. While avoiding any mention of how Costa Ricans should vote in the CAFTA referendum, the Ambassador used his visits to highlight the

benefits of trade. In a Diario Extra interview on 7/27 he said: "Farmers know how important CAFTA is for their businesses, market access and future success. The referendum is the way to maintain that access for future generations. U.S. market access gives jobs and opportunities that improve Costa Rican lives."

¶6. He told the Beach Times on 9/14, "The Embassy does not have a position on the referendum except that it's a process for Costa Rica to decide whether or not to enter the group of countries that will continue their access to the U.S. [market]. History shows that the countries that have approved free-trade agreements have had more success, like Chile. The countries that close their borders do not have success, like Cuba."

=====

QUOTES ABOUT THE AMBASSADOR

=====

¶7. Some media outlets cast the Ambassador as a vocal proponent of the "Si" campaign. La Prensa Libre's (conservative daily; cir. 56,000) headline in on 8/09 read "U.S. Ambassador promotes CAFTA in enterprises." The article went on to say "During his visits to enterprises, Ambassador Langdale . . . talked with workers about what could happen if CAFTA is not approved. Langdale said he is not part of the Yes campaign since that is a campaign for Costa Ricans, not for him. Traveling around Costa Rica to get to know people and the country is part of an ambassador's job."

¶8. When asked by weekly (and strongly anti-CAFTA) Semanario Universidad (cir. 6,000) on 8/09, Costa Rica's Production Minister said "what he [the Ambassador] is doing is a follow-up of one of his country policies. It is something normal." Nevertheless, CAFTA critic Jose Merino of the Frente Amplio Party accused the Ambassador of interfering in Costa Rican internal affairs and characterized him as directing the "Yes" campaign instead of President Arias.

=====

U.S. LEGISLATORS VISIT

=====

¶9. Invited by anti-CAFTA activist Solis, U.S. Senator Bernard Sanders (I-VT) and Congressman Michael Michaud (D-ME) made a private visit to Costa Rica September 21-24. They joined Solis for a press conference on 9/23 and gave a number of interviews. In an lengthy story by Semanario Universidad on 9/27, Sanders said, "The U.S. government and the Ambassador have to respect sovereignty and understand that political decisions are made by and for each country's people. It is not a U.S. Ambassador's job in Costa Rica to interfere in a political campaign and this is something I will discuss when I return to the U.S." Michaud indicated "I am really upset with Ambassador Langdale and President Arias because they said there will be reprisals from the U.S. if CAFTA is not approved. We are not taking CBI away since Democrats are now controlling the U.S. Congress."

¶10. La Nacion (most influential center-right daily; cir. 125,000) reported on 09/24 that the visiting U.S. legislators said: "U.S. and Costa

Rican trade relations won't be affected. More than a half of the U.S. Congress is against CAFTA and has demonstrated a willingness to improve other trade agreements. . . they consider . . . harmful." Sanders stressed that Costa Rica will continue benefiting from CBI since it is a law, and its existence depends only on the U.S. Congress. "Neither Republicans or Democrats have any intention of eliminating this law." He and Michaud asserted that if CAFTA were rejected by Costa Rica, there would be a real possibility of negotiating a US-Costa Rica bilateral trade agreement.

¶11. In a follow-up on 9/27, La Nacion continued: "Sanders has a long background opposing any trade agreement creating employment in other countries because those jobs mean Americans will lose job opportunities. . . Sanders also voted twice to take the U.S. out of WTO. . . Michaud has indicated that CAFTA promises the U.S. the loss of more. Both Congressmen have solid American union support."

¶12. In Diario Extra and La Prensa Libre on 9/24, Foreign Trade Minister Marco Vinicio Ruiz noted "Michaud and Sanders voted against a CBI extension . . . Their only interest is to defend American jobs for electoral purposes, and that is why they are against CAFTA." Ruiz also indicated CBI would likely expire, given WTO opposition to such unilateral benefits. On 9/25, La Nacion, Diario Extra and La Prensa Libre quoted members of the pro-CAFTA PUSC, Libertarian and PUN Parties criticizing the U.S. legislators' visit. "(The) PAC (party) brought wolves in sheep clothing . . . Those are people who have always voted against Latin America, against all trade schemes."

¶13. On 9/28-9/29, La Nacion, Diario Extra, La Prensa Libre, The Tico Times (English language weekly; cir. 45,000), and AM Costa Rica published articles quoting Ruiz, Costa Rican Ambassador to Washington Tomas Duenas, and Minister of the Presidency Rodrigo Arias calling for an explanation from Solis for bringing Sanders and Michaud to Costa Rica. "Those people are not interested in Costa Rica's welfare or in

renegotiating CAFTA . . . Otton Solis is friend of Costa Rica's enemies." Also in La Prensa Libre on 9/28, President Oscar Arias said "[Sanders and Michaud] came to Costa Rica to defend U.S. unions and workers. They do not want American enterprises coming to Costa Rica to invest and generate job sources for Costa Ricans."

=====
REID/PELOSI LETTER
=====

¶14. On 9/28, Otton Solis released a letter sent by U.S. Speaker of the House Nancy Pelosi and Senate Majority Leader Harry Reid to Ambassador Duenas, indicating that CBI would not be in danger if Costa Rica voted against CAFTA in the referendum. In Diario Extra on 9/29, Ambassador Duenas and Minister Ruiz stated "despite (these) good wishes, no one can guarantee preferential access of Costa Ricans products to the U.S. market."

¶15. Following the release of statements by DUSTR John Veroneau and Jim McCreery (R-LA), La Nacion reported on 9/29, "no country benefiting from CBI should assume these benefits are

eternal. This is a unilateral preferential program that could be modified or eliminated by Congress at any time, and it could also be revoked by the U.S. President. The U.S. won't consider a separate trade agreement with Costa Rica if CAFTA is not approved by the referendum."

¶16. La Prensa Libre continued on 10/02, quoting former Foreign Trade Minister Alberto Trejos: "despite the fact that most CBI benefits do not have a specific expiration date, benefits under CBTPA expire next year. . .it is clear that CBI is at risk and it is dangerous that the exchange of goods and services with our main trade partner depends . . . on such a fragile possibility. . . Right now CBI does not have WTO permission, and even though no country has asked for a panel to take it away from us, I still insist it is fragile."

=====
SANCHEZ LETTER
=====

¶17. On October 3, PAC held a press conference to interview Rep. Linda Sanchez (D-CA) by phone. Earlier, PAC had released Sanchez's letter to the Secretary, which asked for assurance that the U.S. Embassy in Costa Rica did not use time or resources to influence in the referendum results. During the interview, Sanchez asserted that unilateral CBI benefits are permanent. When asked by La Nacion if the U.S. executive branch has the authority to exclude any country from receiving those benefits, she continued, "I do not have that information in front of me but if power is based on our executive branch, I cannot ensure he won't use it in the way he wants." Sanchez also recognized that trade preferences for Costa Rica depend on WTO. "The U.S. or our Congress can do all that is within our reach, but the truth is that other WTO countries have also voice and vote to affect free trade agreements and preferences policies."

LANGDALE